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Farm Broadcasters Letter



Letter No. 2262

May 15, 1986

CHERNOBYL'S EFFECT ON TRADE UNKNOWN

Insufficient information on the extent of contamination in the USSR resulting from the Chernobyl accident limits the ability of the U.S. Department of Agriculture to forecast effects on Soviet agriculture and trade. For this reason, the following information in regards to the USSR was not adjusted to reflect any effects of the accident.

USSR GRAIN CROP FORECAST

The initial U.S. Department of Agriculture's forecast of the 1986 Soviet grain crop is 190 million tons, the same as the 1985 estimated crop. The estimate includes 80 million tons of wheat, 98 million coarse grains and 12 million miscellaneous grains and pulses. The total grain area is estimated at 118 million hectares, marginally above 1985's area of 117.9 million hectares.

USSR GRAIN IMPORTS DELAYED

The second half of the 1985/86 marketing year witnessed a significant slowdown in USSR's grain imports, according to the U.S. Department of Agriculture. So far, buying for 1986/87 delivery appears to be minimal. Expectations of lower world grain prices this summer and fall, as a result of the new U.S. farm legislation, may be encouraging the USSR to delay late-season grain purchases. Lower revenues from oil exports, a major source of foreign exchange, may be reflected in reduced USSR expenditures on imports, particularly for grain. Chernobyl creates additional uncertainty about the level of USSR grain requirements for the 1986/87 marketing year.

USSR IMPORTS FOR 1986/87 PROJECTED

The Soviet's grain imports for the 1986/87 marketing year are projected at 30 million tons from all sources, up slightly from the year-earlier level but well below the 1980/81 - 1984/85 average import level of around 40 million tons. During this period the USSR estimated grain outturn averaged close to 180 million tons. The Soviet currently has grain trading agreements that cover annual trade of around 20 million tons. The Soviet currently has grain trading agreements that cover annual trade of around 20 million tons. The USSR may be de-emphasizing the importance of agreements in meeting annual grain import requirements. USSR wheat imports appear to have stabilized in the area of 20 million tons.

WORLD PRODUCTION HIGHLIGHTS, 1985/86

The world production of wheat for 1985/86 is estimated by the U.S. Department of Agriculture at 503 million tons. World coarse grain production for 1985/86 is estimated at a record of nearly 843 million tons. World oilseeds production for 1985/86 is estimated at nearly 193 million tons. U.S. production is estimated at just under 65½ million tons.

USSR COARSE
GRAIN IMPORTS

In recent years, USSR coarse grain imports have shown much more volatility than wheat trade, according to the U.S. Department of Agriculture. Imports reached 25½ million tons in 1981/82, only to plummet the next year to around 11 million. A reduced 1984 crop caused another surge in imports to a record of almost 27 million tons. Imports for 1985/86 are currently projected at 12 million tons. The USSR 1986 coarse grain crop is estimated at 98 million tons, the second largest since 1978. The U.S. share of the USSR coarse grain market has averaged around 50 pct. in recent years and should hold or even improve in 1986/87 given the new U.S. farm legislation and expected lower corn prices.

WORLD COARSE
GRAIN PROD.
HIGHLIGHTS,
1986/87

The world production of coarse grains for 1986/87 is projected at 819 million tons, down nearly 24 million or 3 pct. from last year's record crop, according to the U.S. Department of Agriculture. U.S. production is forecast at 235 million tons; USSR, 98 million; China, 94 million; Canada, 23 million; Brazil, 23 million; European Community, 86 million; and East Europe, 69 million tons of coarse grains.

FALLING WHEAT
PRICES

Sharply lower world wheat prices are expected to have only a modest impact on wheat supplies in 1986/87, according to the U.S. Department of Agriculture. To a large extent, the projected record crop of approximately 510 million metric tons was planned or in the ground prior to the realization that prices would fall drastically in 1986/87. However, lower prices may stimulate utilization and increase wheat import demand causing trade to recover somewhat from the depressed level of 1985/86. But despite record utilization, world wheat ending stocks will likely increase to more than 130 million tons, nearly 30 pct. of the forecast 1986/87 utilization.

U.S. WHEAT
TRADE
PROSPECTS

Prospects for U.S. wheat exports are expected to increase markedly in 1986/87, up nearly 20 pct. from the low 1985/86 level, according to the U.S. Department of Agriculture. At about 30 million tons, U.S. wheat exports would account for about 33 pct. of forecast world wheat trade. Prices for U.S. wheat are expected to be sharply lower in 1986/87 than in 1985/86. Therefore, other advantages such as a wide variety of wheat qualities, numerous port loading facilities, and year-round availabilities may again begin to influence importer buying decisions.

COARSE GRAINS
PROSPECTS

Despite prospects for sharply lower prices, world coarse grain trade in 1986/87 is expected to recover only slightly from the depressed 1985/86 level, according to the U.S. Department of Agriculture. Global import demand appears sluggish as a result of forecast record production outside of the U.S., little evidence of expanding livestock herds or increased compound feed use, and the continuing competition from still ample exportable supplies of feed-quality wheat and manioc.

U.S. CROP
PRODUCTION
HIGHLIGHTS

The U.S. winter wheat production is forecast by the U.S. Department of Agriculture at 1 billion 600 million bushels as of May 1, that's 12 pct. less than the 1985 production. Citrus production is forecast at 11 million tons, 7 pct. higher than last season. Spring potatoes are forecast at 19½ million per hundredweight, 15 pct. below last year and 18 pct. below 1984.

FROM OUR
TELEVISION
SERVICE

BIOTECHNOLOGY - I...USDA scientist Dr. Machi Dilworth describes the basic concept of biotechnology and genetic engineering and discusses some of the major concerns with this science. Don Elder interviews. (186)

BIOTECHNOLOGY - II...USDA scientist Dr. Machi Dilworth continues the discussion on biotechnology and genetic engineering focusing on the benefits, concerns and controversy surrounding this science in the area of plants. Don Elder interviews. (187)

BIOTECHNOLOGY - III...USDA scientist Dr. Ken Cremer talks about biotechnology and the concern that this area of science be rigidly controlled to protect the public welfare. Don Elder interviews. (188)

SOUTHEAST FOREST FIRES...Weather conditions in the Southeast created dry timberland. USDA's Al West, Deputy Chief of State and Private Forestry, comments about the effort being made to control thousands of forest fires. Vic Powell interviews. (189)

RANGELAND GRASSHOPPER PROGRAM...The 1986 control effort will feature the combined use of pesticide spraying and a biological control agent. USDA's Bill Helms, Animal and Plant Health Inspection Service, outlines the Federal and State cooperative approach. Vic Powell interviews. (190)



FROM OUR RADIO
SERVICE

AGRICULTURE USA #1511...(Weekly 13½ min documentary) As competition on world grain markets has gone up, complaints about the quality of the U.S. product have also increased. Brenda Curtis takes a look at the question of the quality of U.S. grain.

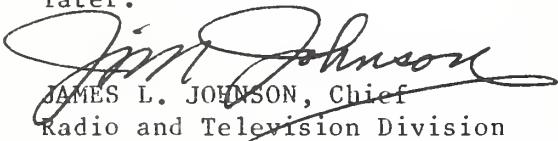
AGRITAPE/FARM PROGRAM REPORT #1500...(Weekly reel of news features) USDA news highlights; USDA looks for guidance on '87 farm programs; USDA reports sign up for '86 programs; The promise of biotechnology.

CONSUMER TIME #993...(Weekly reel of 2½-3 min features) Food safety for picnics; Where's the maple syrup; Forest mystery; Window on the past; Overweight and overfed children.

USDA RADIO NEWS SERVICE...Wed, May 21, Export outlook; Thurs, May 22, Poultry production; Wed, May 28, Eastern Europe outlook, U.S. crop and weather update; Fri, May 30, Agricultural prices. Dial the USDA National News Line 202-488-8358 or 8359. All material changed at 5 p.m. ET each working day.

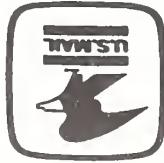
OFF MIKE

Jimmy Burke is no longer at WHOP, Hopkinsville, Kentucky. He's in the same community, but he's now working on television, at W43AG to be exact. He worked with "Colonel" Dink Embry at WHOP for three years ... Clare Morganthaler replaced Jack Stower at WDZQ, Decatur, Illinois. As we reported earlier, Jack moved over to KSOY, same community, as an account executive ... Julie Terstriep (WLRB/WKAI, Macomb, Illinois) reported we helped her community too much. In an earlier letter she asked for rain. Her area received 3-4 inches, including a huge downpour May 6 with golf ball size hail. Gee, Julie, you didn't specify. Incidentally, she also reported on a new promotion called WLRB Farm Boosters. The station is running upbeat messages on agriculture and tagging each with a different sponsor's name. She says the upbeat approach is going over good ... Latest news about Fortunato "Lucky" Teho. He was one of 12 "Filipino Firsts" honored as part of the 80th year of Filipinos in Hawaii celebration. Among other factors that brought him the honor, Lucky was identified as producer of the oldest agricultural radio and television program in Hawaii. Our congratulations! ... Another "freebie!" This time it's the Book of Agricultural Statistics, and we have a limited number of free copies. It contains everything you've ever wanted to know about agriculture...from soup to nuts. Well, maybe from soup ingredients to nuts. Let us know if you would like a copy ... Rod Johnson (KDHL, Faribault, Minn) has a new assistant. He's Jon Burree ... We see where Orion Samuelson's smiling face made it into the BROADCASTING magazine, April 21 issue to be exact. Picture shows Orion and Deere & Co's Boyd Partlett sealing new agreement with a handshake ... Next week we'll be in Spokane, Wash. at the Western Regional NAFB meeting. Program chairman Wey Simpson (KXLY, Spokane) has an interesting program put together. More later.



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